

LANs 401(k) Plans New Investment Options Employee Briefings

October 25, 26, 2011

Glenn Kizer – Chairman of the LANs BIC

Lou Polito – LANs Plans Administrator

Agenda

- Introduction to 401(k) changes – **Glenn Kizer or Lou Polito**
- Mercer Investment Consulting – **Eileen Kwei**
- Fidelity is your record keeper – **Jared Christenson**
 - Describe new investment structure and options
 - How current investments will be mapped into the new structure
- Morningstar will provide fund fact sheets – **James Brendel**
- Qs and As

LANS Benefits and Investment Committee Membership

Member	Affiliation
Glenn Kizer	LANL
Terry Wallace	LANL
Paul Rosenkoetter	LLNL
John Post	LLNL
Jim Hirahara	UC
Mel Stanton	UC
Dwaine Duckett	UC
Peggi Knox	Bechtel
Maureen Mendez	Bechtel
Maureen Williams	BWXT

Investment Consultant: Mercer

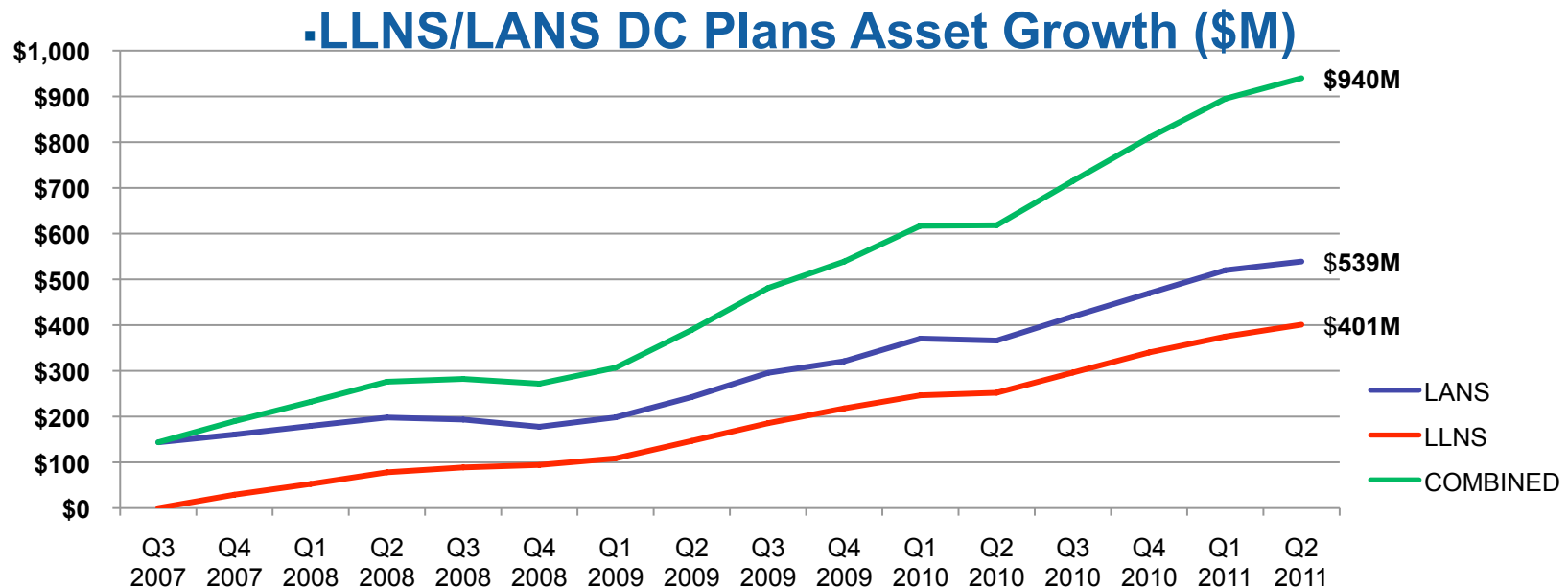
Current Structure

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- Incomplete Passive Core – No SMID equity option
- Over representation of Small and Mid Cap Managers in active core

Changes to our 401(k) investment structure will save \$1M in Participant Fees which stays in employees accounts

- Initial 401(k) investment options were limited to “retail” mutual funds with relatively high fee – why: new company, few assets
- Four years later, combined assets in LLNS and LANS plans ~\$1B
 - Allows access to funds/options with much lower management fees
 - Access to fund managers not available to the public/retail funds



Goals for Restructured Plans

- **Streamline investment structure**
 - Passive and active options in major asset classes
- **Move to collective trusts and separate accounts – Core funds**
 - High-quality asset management experts
 - Significantly lower fees
- **Evaluate Target Date and Self-Directed Brokerage options (no change except for lower fees with Target Date funds)**
- **Fidelity will remain the Plans' link with employees (no change)**
 - Daily values through NetBenefits (no change)
- **Morningstar will provide fund fact sheets**
 - Online through NetBenefits (no change)



Summary of Restructured Plans

LANS Defined Contribution Plan Investment Structure

Tier I - Asset Allocation Tier II(A) - Passive Core Options Tier II(B) Active Core Options Tier III - Specialty Options

**Target Retirement
Funds** Vanguard
Target Retirement Trust

US Bond Index Fund Black
Rock

Stable Value Fund
Invesco

Core Plus Bond Fund
PIMCO

Large Cap Value Equity Fund
American Beacon

S & P 500 Index Fund
SSgA

**Large Cap Growth Equity
Fund**
Rainier

**International Equity Index
Fund**
SSgA

International Equity Fund
Fidelity Diversified
International K

**Small-Mid Cap Equity Index
Fund** SSgA

Small-Mid Cap Equity Fund
50% CMR + 50% Wells

Self-Directed Brokerage
Fidelity Brokerage Link



Transition Plan

- **Current investments freeze 2:00 p.m. (MDT) on Monday, 10/31/2011**
- **Mapping from current investments to new investments overnight**
- **New investments available Tuesday morning, 11/1/2011**
- **No need for blackout period**
- **Daily values for all investment options posted on Fidelity NetBenefits – updated daily**

Investing in your 401(k) is important for your future

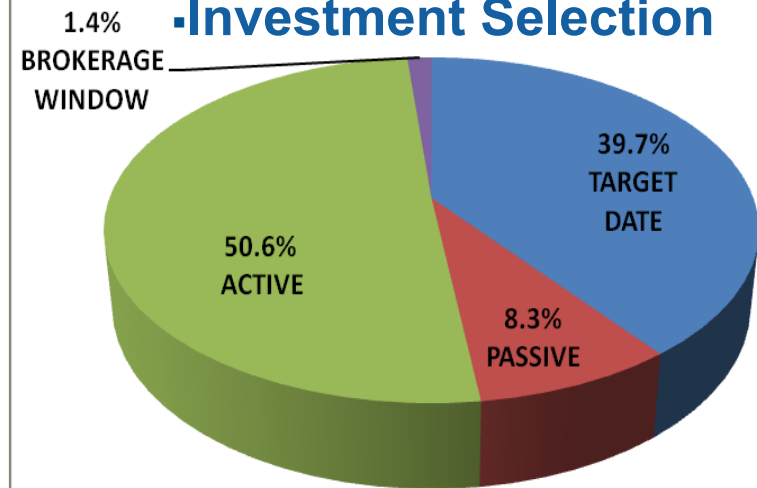
Participant Demographics

	Savings (TCP1)	Retirement (TCP2)
Eligible	4,044	5,449
Contributing	2,949	3,855
% Contributing	71%	73%

Retirement Plan (TCP2) Participation Rate

Pre- 6/1/2006 Hires (transitioned)	87%
Post- 6/1/2006 Hires	63%

Investment Selection



TCP-1; TCP-2 Loan Information

	# of Loans	Original Amount of Loan	Balance of open loan	Avg Size of Orig Loan	Avg Balance of open loan
TCP-1	729	\$9,035,088	\$6,301,994	\$12,394	\$8,645
TCP-2	564	\$8,741,298	\$6,099,276	\$15,499	\$10,814

Fidelity & Morningstar Presentations





LOS ALAMOS NATIONAL LABORATORY **SAVINGS AND RETIREMENT PLANS** **INVESTMENT OPTIONS**



**YOUR GUIDE TO NEW INVESTMENT
OPTIONS IN THE LANS 401(K) SAVINGS
AND RETIREMENT PLANS**

What you'll learn today



- ▶ Changes to the LANS 401(k) Retirement and Savings Plans
 - Tiered investment lineup
 - New funds and name changes
 - Lower cost investment options
- ▶ How your current investment options will transfer
- ▶ Determining your investment mix
- ▶ Monitoring and rebalancing your portfolio
- ▶ Next steps

Why an investment lineup change?

- The LLNS and LANS Plans' assets have steadily grown since the Plans were established.
- Primarily as a result of the continued growth of overall plan, the BIC's ability to access lower-cost investment options for the LANS Plans.
- The LANS Plans will now include investment options selected based on their performance and relatively low expense ratios within their investment class

Changes to the LANS Plans' Investment Options

Tiered Investment Lineup

TIER I – Asset Allocation

Target Retirement Date Funds are designed for investors expecting to retire around the year indicated in each funds' name.

TIER II(A) – Passive Core Options

A passively managed investment option is one in which the manager invests the fund's assets based on tracking a certain benchmark. Generally known as "index" funds.

TIER II(B) – Active Core Options

An actively managed investment option is one in which the fund manager invests the fund's assets based on a set criteria for the fund. However, the fund manager actively trades within the fund to try to beat the fund's benchmark

TIER III – Self-directed Brokerage

New Fund Names

Fund names will be more generic to more easily describe your options

EXAMPLES:

SSgA MSCI ACWI ex-US IMI Index Fund → **International Equity Index**

PIMCO Total Return Fund – Institutional Class → **Core Plus Bond Fund**

Investment options will no longer have ticker symbols

NOTE:

Morningstar will provide historical data and performance data through NetBenefits

New Investment Types

Mutual Fund

An investment company

Commingled Pool

Part of a group trust maintained by a bank for the collective investment by qualified pension or retirement plans. Regulated by the U.S. Office of the Comptroller of the Currency rather than Securities and Exchange Commission

Separate Account

A professionally managed investment option

Investment option managers – Underlying investments

Tier II(B) Active Core Options

Investment Options	Underlying investment
Stable Value Fund	INVESCO Stable Value Trust, Fidelity Managed Income Portfolio (MIP) and Fidelity® Money Market Trust Retirement Money Market Portfolio
Core Plus Bond	PIMCO Total Return Fund
Large Cap Value Equity Fund	American Beacon Large Cap Value Fund – Institutional Class
Large Cap Growth Equity Fund	Rainier Large Cap Growth Equity
International Equity Fund	Fidelity® Diversified International Fund – Class K
Small-Mid Cap Equity Fund	Cramer Rosenthal McGlynn (CRM) Small/Mid Cap Value Wells Capital Fundamental SMID Cap Growth Equity

Investment option managers – Underlying investments

Tier I and II (A) Passive Core Options

Investment Options	Underlying investment
Asset Allocation Funds	Vanguard Target Retirement Funds – Trust I Class
US Bond Index	BlackRock U.S. Debt Index Fund
S&P 500 Index	SSgA S&P 500 Index Fund
International Equity Index Fund	SSgA Global All Cap Equity Ex-U.S. Index Fund
Small-Mid Cap Equity Index Fund	SSgA Russell Small/Mid Cap Index Fund

Stable Value Investment Option

Changes to the Stable Value Fund

- ☑ The Stable Value Fund seeks stability of principal and consistency of returns with minimal volatility
- ☑ Beginning November 1, the Stable Value Fund will invest in a combination of
 - INVESCO Stable Value
 - Fidelity Managed Income Portfolio (MIP)
 - Fidelity Money Market Trust Retirement Money Market Portfolio
- ☑ On March 1, 2012, the Stable Value Fund will be 100% the INVESCO Stable Value

How your current investment options will transfer and their new lower expenses

Tier I – Asset Allocation Funds

Current Investment Lineup

Vanguard Target Retirement Income Fund – Investor Shares
Expense Ratio: 0.17% as of 1/26/2011
Fund type: mutual fund

Vanguard Target Retirement 2010 Fund – Investor Shares
Expense Ratio: 0.17% as of 1/26/2011
Fund type: mutual fund

Vanguard Target Retirement 2015 Fund – Investor Shares
Expense Ratio: 0.16% as of 1/26/2011
Fund type: mutual fund

Vanguard Target Retirement 2020 Fund – Investor Shares
Expense Ratio: 0.17% as of 1/26/2011
Fund type: mutual fund

Vanguard Target Retirement 2025 Fund – Investor Shares
Expense Ratio: 0.18% as of 1/26/2011
Fund type: mutual fund

Vanguard Target Retirement 2030 Fund – Investor Shares
Expense Ratio: 0.18% as of 1/26/2011
Fund type: mutual fund

New Investment Options

Retirement Income Fund
Expense Ratio: 0.09% as of 12/31/2010
Fund type: commingled pool

Target Retirement 2010 Fund
Expense Ratio: 0.09% as of 12/31/2010
Fund type: commingled pool

Target Retirement 2015 Fund
Expense Ratio: 0.09% as of 12/31/2010
Fund type: commingled pool

Target Retirement 2020 Fund
Expense Ratio: : 0.09% as of 12/31/2010
Fund type: commingled pool

Target Retirement 2025 Fund
Expense Ratio: : 0.09% as of 12/31/2010
Fund type: commingled pool

Target Retirement 2030 Fund
Expense Ratio: 0.09% as of 12/31/2010
Fund type: commingled pool

The reallocation of assets depends on the timely liquidation of those assets. A delay in liquidation may result in a change to the above noted dates

Tier I – Asset Allocation Funds Cont'd

Current Investment Options	New Investment Options
Vanguard Target Retirement 2035 Fund – Investor Shares Expense Ratio: 0.19% as of 1/26/2011 Fund type: mutual fund	Target Retirement 2035 Fund Expense Ratio: 0.09% as of 12/31/2010 Fund type: commingled pool
Vanguard Target Retirement 2040 Fund – Investor Shares Expense Ratio: 0.19% as of 1/26/2011 Fund type: mutual fund	Target Retirement 2040 Fund Expense Ratio: 0.09% as of 12/31/2010 Fund type: commingled pool
Vanguard Target Retirement 2045 Fund – Investor Shares Expense Ratio: 0.19% as of 1/26/2011 Fund type: mutual fund	Target Retirement 2045 Fund Expense Ratio: 0.09% as of 12/31/2010 Fund type: commingled pool
Vanguard Target Retirement 2050 Fund – Investor Shares Expense Ratio: 0.19% as of 1/26/2011 Fund type: mutual fund	Target Retirement 2050 Fund Expense Ratio: 0.09% as of 12/31/2010 Fund type: commingled pool
No Option	Target Retirement 2055 Fund Expense Ratio: 0.09% as of 12/31/2010 Fund type: commingled pool
Fidelity® Balanced Fund Expense Ratio: 0.62% as of 10/30/2010 Fund type: mutual fund	Target Retirement Fund based on your date of birth and a retirement age of 65

The reallocation of assets depends on the timely liquidation of those assets. A delay in liquidation may result in a change to the above noted dates

Tier II (A) – Passive Core Options

Current Investment Lineup	New Investment Options
Spartan® U.S. Bond Index Fund – Investor Class Expense Ratio: 0.22% as of 2/1/2011 Fund type: mutual fund	US Bond Index Fund Expense Ratio: 0.04% as of 8/17/2011 Fund type: commingled pool
Spartan® S&P 500 Index – Investor Class Expense Ratio: 0.10% as of 4/29/2011 Fund type: mutual fund	S&P 500 Index Fund Expense Ratio: : 0.03% as of 8/16/2011 Fund type: commingled pool
SSgA Global Equity ex US Index Securities Lending Series Fund – Class II Expense Ratio: 0.17% as of 7/1/2009 Fund type: mutual fund	International Equity Index Fund Expense Ratio: 0.04% as of 8/16/2011 Fund type: commingled pool
No option	Small-Mid Cap Equity Index Fund Expense Ratio: 0.06% as of 8/16/2011 Fund type: commingled pool

The reallocation of assets depends on the timely liquidation of those assets. A delay in liquidation may result in a change to the above noted dates

Tier II (B) – Active Core Options

Current Investment Options	New Investment Options
Managed Income Portfolio Expense Ratio: N/A Fund type: separate account	Stable Value Fund Expense Ratio: 0.55 as of 10/31/2011 Fund type: commingled pool
PIMCO Total Return Fund – Institutional Class Expense Ratio: 0.46% as of 8/19/2011 Fund type: mutual fund	Core Plus Bond Fund Expense Ratio: 0.46% as of 8/19/2011 Fund type: mutual fund
American Beacon Large Cap Value Fund – Investor Class Expense Ratio: 0.97% as of 3/1/2011 Fund type: mutual fund	Large Cap Value Equity Fund Expense Ratio: 0.60% as of 3/1/2011 Fund type: mutual fund
Fidelity Contrafund® Expense Ratio: 0.92% as of 3/1/2011 Fund type: mutual fund	Large Cap Growth Equity Fund Expense Ratio: 0.47% as of 8/17/2011 Fund type: separate account
Fidelity® Growth Company Fund Expense Ratio: 0.89% as of 1/29/2011 Fund type: mutual fund	
Fidelity® Diversified International Fund Expense Ratio: 0.98 as of 12/30/2010 Fund type: mutual fund	International Equity Fund Expense Ratio: 0.79% as of 12/31/2010 Fund type: mutual fund

The reallocation of assets depends on the timely liquidation of those assets. A delay in liquidation may result in a change to the above noted dates

Tier II (B) – Active Core Options

Current Investment Lineup

Old Mutual TS&W Mid-Cap Value Fund – Class I
Expense Ratio: 1.07 as of 8/3/2011
Fund type: mutual fund

William Blair Mid Cap Growth Fund – Class I
Expense Ratio: 1.15% as of 5/1/2011
Fund type: mutual fund

Wells Fargo Advantage Small Cap Value Fund – Investor Class
Expense Ratio: 1.43% as of 3/1/2011
Fund type: mutual fund

Baron Small Cap Fund
Expense Ratio: 1.31% as of 3/31/2011
Fund type: mutual fund

New Investment Options

Small-Mid Cap Equity Fund
Expense Ratio: 0.78% as of 8/17/2011
Fund type: separate account

For a mutual fund, the expense ratio is the total annual fund or class operating expenses (before waivers or reimbursements) paid by the fund and stated as a percentage of the fund's total net assets. Where the investment option is not a mutual fund, the figure displayed in the expense ratio field is intended to reflect similar information. However, it may have been calculated using methodologies that differ from those used for mutual funds. Mutual fund data has been drawn from the fund's prospectus. For non-mutual fund investment options, the information has been provided by the investment option's manager or the trustee. Expense information changes periodically. Please consult NetBenefits for updates.

The reallocation of assets depends on the timely liquidation of those assets. A delay in liquidation may result in a change to the above noted dates

Determining your investment mix

New Investment Risk Spectrum for the LANS Plans

The following risk spectrum was created by the BIC, which is solely responsible for its content. The risk spectrum generally compares the risk and potential reward of the different types of investments offered in the LANS Plans. An investment option's risk classification may be based on its objectives as described in its investment profile. The risk spectrum is not intended to be a precise indicator of future risk or return levels. The degree of risk within each category can vary significantly, and a fund's risk classification may change over time. Therefore, it is important that you consider each investment option carefully before investing to ensure that its objective, strategy, and risk potential are consistent with your goals. While Fidelity Investments® offers the services for you to make your own investment option elections and changes, Fidelity makes no representations as to the accuracy or the completeness of the plan investment option spectrum.

» INVESTMENT RISK SPECTRUM

More
Conservative



TIER I – ASSET ALLOCATION FUNDS	TIER II (A) – PASSIVE CORE OPTIONS	TIER II (B) – ACTIVE CORE OPTIONS	TIER III – SELF-DIRECTED BROKERAGE
		Stable Value Fund	
	US Bond Index Fund	Core Plus Bond Fund	
Retirement Income Fund			
Target Retirement 2010 Fund			
Target Retirement 2015 Fund			
Target Retirement 2020 Fund			
Target Retirement 2025 Fund			
Target Retirement 2030 Fund			
Target Retirement 2035 Fund			
Target Retirement 2040 Fund			
Target Retirement 2045 Fund			
Target Retirement 2050 Fund			
Target Retirement 2055 Fund (NEW)			
		Large Cap Value Equity Fund	
	S&P 500 Index Fund		
		Large Cap Growth Equity Fund	
	International Equity Index Fund	International Equity Fund	
	Small-Mid Cap Equity Index Fund (NEW)	Small-Mid Cap Equity Fund (NEW)	
			Fidelity BrokerageLink®

More
Aggressive



Tier I – Asset Allocation

Target Date Funds

Lifecycle Funds

Investment options to the left have potentially more inflation risk and less investment risk

Investment options to the right have potentially less inflation risk and more investment risk

Retirement Income Fund
Target Retirement 2010 Fund

Target Retirement 2015 Fund
Target Retirement 2020 Fund
Target Retirement 2025 Fund
Target Retirement 2030 Fund

Target Retirement 2035 Fund
Target Retirement 2040 Fund
Target Retirement 2045 Fund
Target Retirement 2050 Fund

Target date investments are represented on a separate spectrum because they are generally designed for investors expecting to retire around the year indicated in each investment's name. The investments are managed to gradually become more conservative over time. The investment risks of each target date investment change over time as its asset allocation changes. They are subject to the volatility of the financial markets, including equity and fixed income investments in the U.S. and abroad and may be subject to risks associated with investing in high yield, small cap and foreign securities. Principal invested is not guaranteed at any time, including at or after their target dates.



Target Retirement Date Fund Chart

Your plan has assigned lifecycle funds based on your date of birth if you decide not to select individual investment options.

Your Birth Date*	Fund Name	Target Retirement Years
Before 1933	Retirement Income Fund	Retired before 1998
January 1, 1933 – December 31, 1947	Target Retirement 2010 Fund	Target Years 1998 – 2012
January 1, 1948 – December 31, 1952	Target Retirement 2015 Fund	Target Years 2013 – 2017
January 1, 1953 – December 31, 1957	Target Retirement 2020 Fund	Target Years 2018 – 2022
January 1, 1958 – December 31, 1962	Target Retirement 2025 Fund	Target Years 2023 – 2027
January 1, 1963 – December 31, 1967	Target Retirement 2030 Fund	Target Years 2028 – 2032
January 1, 1968 – December 31, 1972	Target Retirement 2035 Fund	Target Years 2033 – 2037
January 1, 1973 – December 31, 1977	Target Retirement 2040 Fund	Target Years 2038 – 2042
January 1, 1978 – December 31, 1982	Target Retirement 2045 Fund	Target Years 2043 – 2047
January 1, 1983 – December 31, 1987	Target Retirement 2050 Fund	Target Years 2048 – 2052
January 1, 1988 and beyond	Target Retirement 2055 Fund	Target Years 2053 and later



Important note about Automatic Rebalance

Do you have Automatic Rebalance set up?

- The LANS Plans offer Automatic Rebalance – a service to help you maintain the combination of investment types you want for your LANS Plan account
- As part of this change, you will need to log on to Fidelity NetBenefits and re-establish your Automatic Rebalance.
- Try Automatic Rebalance beginning November 1, 2011. Log onto NetBenefits and click on **Change Investments** and **Rebalance** to learn more.

Next steps and plan details

Key dates

Last activity date	October 31, 2011 @ 4 P.M. Eastern time
New investment lineup available for transactions	November 1, 2011
Account statements scheduled to mail	Mid-January, 2012

The reallocation of assets depends on the timely liquidation of those assets. A delay in liquidation may result in a change to the above-noted dates.

Fidelity BrokerageLink®

Combines the convenience of your workplace savings plan with the additional flexibility of a brokerage account.

- ☑ Gives you expanded investment choices and the opportunity to more actively manage your retirement contributions.
- ☑ If you are an investor who is willing to take on the potential for more risk and you are prepared to assume the responsibility of more closely monitoring this portion of your portfolio, it could be appropriate for you.
- ☑ However, if you do not feel comfortable actively managing a portfolio beyond those offered through your plan's standard investment options, then a self-directed brokerage account may not be appropriate for you.
- ☑ Additional fees apply to a brokerage account; please refer to the fact sheet and commission schedule for a complete listing of brokerage fees.
- ☑ Remember, it is always your responsibility to ensure that the options you select are consistent with your particular situation, including your goals, time horizon, and risk tolerance.
- ☑ Stable Value is subject to an “equity wash” restriction



Roth 401(k)

Another Plan Contribution Option

- You now may elect to contribute all or a portion of your salary deferrals to a Roth 401(k) feature.
- Your traditional pre-tax 401(k) contribution option will still exist.
- Roth 401(k) is a way to save tax-free money for retirement as long as the withdrawal is a qualified withdrawal. A qualified withdrawal in this case, is one that can be taken five tax years after the year of your first Roth contribution and after you have attained age 59 ½, become disabled or deceased.
- Talk with a tax advisor to help determine if a Roth 401(k) is an appropriate choice for you

Call Fidelity at 800-835-5095

Log on to www.netbenefits.com and select "Plan Information and Documents"

Plan Features LANS Plans

Eligibility Requirements	All contributions	<ul style="list-style-type: none"> You are immediately eligible to contribute to the LANS Plans
Contributions	Employee Contributions <u>IRS Limits</u> 2011 \$16,500 <u>Catch-up limit</u> 2011 \$5,500	<ul style="list-style-type: none"> You may contribute between 1% and 75% of your eligible pay on a pretax, Roth 401(k) and/or after-tax basis. If you are at least 50 years of age during the year, you may contribute an additional \$5,500 to the Plans
Employer Contributions	\$1 for every \$1 on the first 6%	<ul style="list-style-type: none"> LANS will match 100% of the first 6% of pretax and/or aftertax contributions Be sure to contribute at least 6% to the plan, to receive full matching contributions
Loans		<ul style="list-style-type: none"> Although your plan account is intended for the future, you may borrow from your account for various financial hardships. The LANS Plans allow you to borrow up to 50% of your vested account balance. Minimum loan amount is \$1,000 and the maximum loan amount is \$50,000.

Annual additions to the plan cannot exceed 100% of your pay, or \$49,000 (whichever is less) in 2011.

Be sure you understand the plan guidelines and impact of taking a loan before initiating a loan from your plan account.



Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call or write Fidelity for a free prospectus or, if available, a summary prospectus. Read it carefully before you invest.

Keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

The investment options available through the plan reserve the right to modify or withdraw the exchange privilege.

Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation.

Investments in mid-sized companies may involve greater risks than those in larger, more well known companies, but may be less volatile than investments in smaller companies.

In general the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk and credit and default risks for both issuers and counterparties. Unlike individual bonds, most bond funds do not have a maturity date, so avoiding losses caused by price volatility by holding them until maturity is not possible.

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A Presentation for Los Alamos National Laboratory

➤ **Jim Brendel, Director of Operations**
Morningstar® Investment Profiles™

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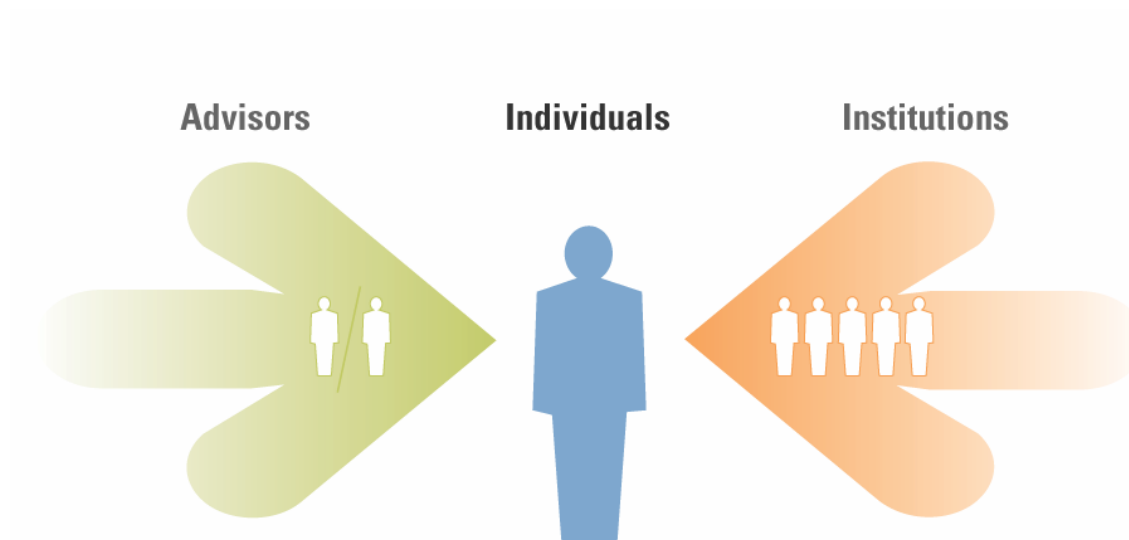
Who is Morningstar?

Morningstar Global Offices



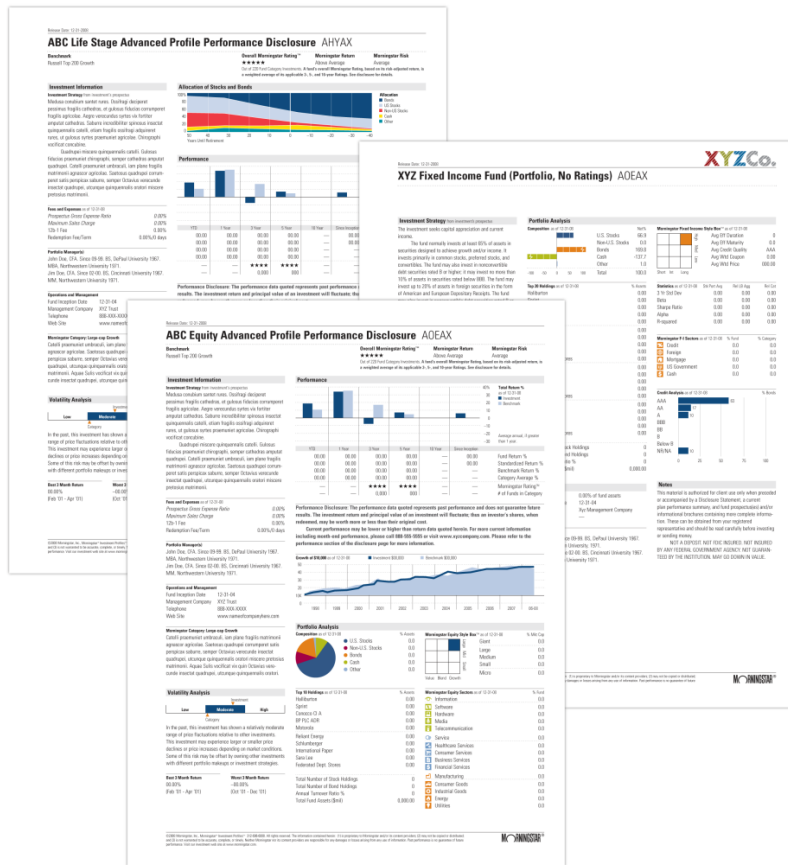
- We're an established and trusted provider of independent investment research.
- We serve clients globally through our presence in North America, South America, Europe, Asia, and Australia.
- Our 3,200+ employees work in offices worldwide, offering local market expertise.
- Since 1984, we've been recognized for pioneering contributions to the investment industry.
- Our global database includes approximately 400,000 investments.

Morningstar Founding and Mission



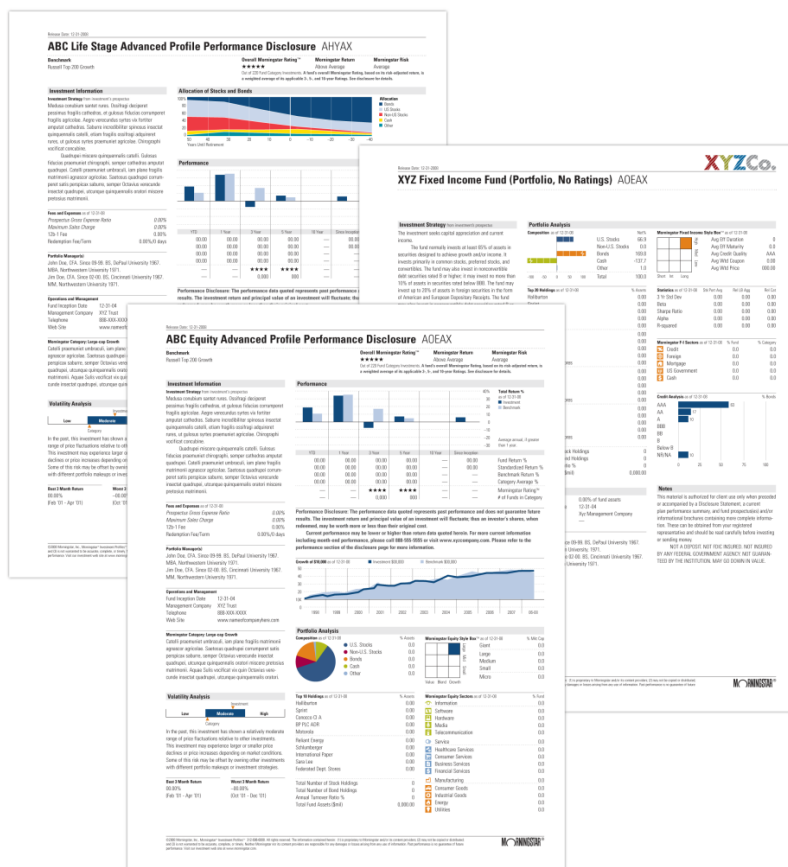
- Our Mission: Create great products that help investors achieve their financial goals
- Started in 1984 with print publication on mutual funds for individual investors
- Business expands to financial advisors, then institutions
- Morningstar's popularity with individual investors creates pull demand from advisors and institutions
- Key value: Investors first

Morningstar® Investment Profiles™



- 1-page reports that provide an overview of each investment option in your plan
- Include a summary of the investment's:
 - Objective & Strategy
 - Fees and Expenses
 - Management
 - Performance
 - Portfolio Holdings

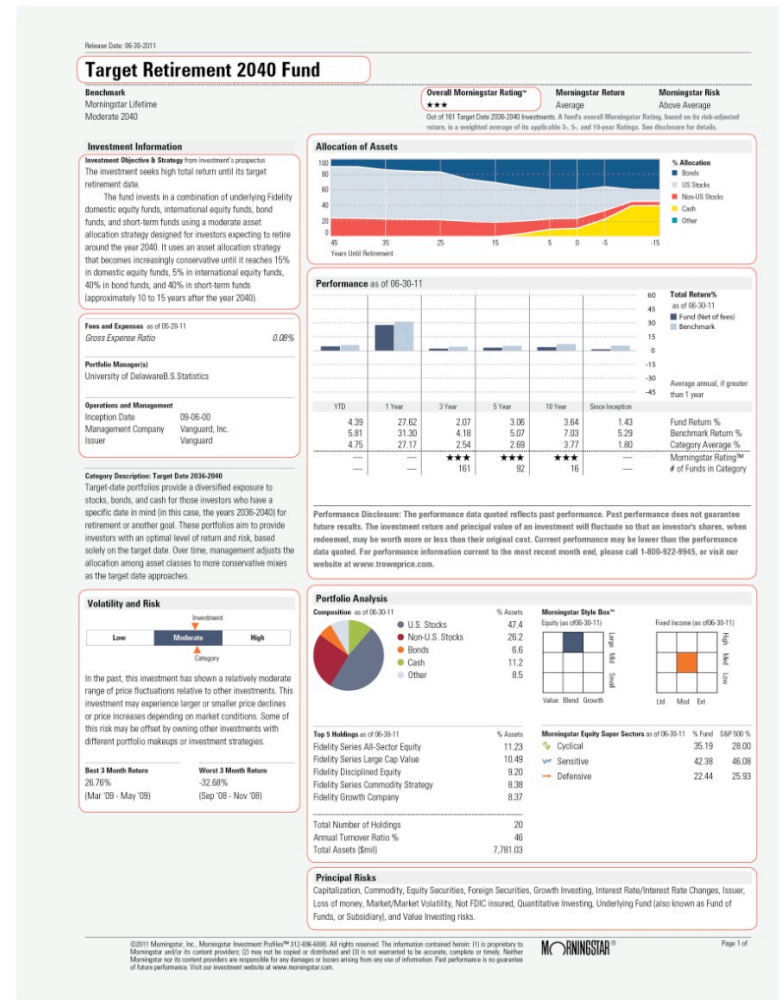
Morningstar® Investment Profiles™



- Will be available beginning in November 2011
- Are updated quarterly
- Will be posted to Fidelity's NetBenefits site

How to Use the Investment Profile

- Overview of Investment Option
 - Investment Objective & Strategy
 - Fees and Expenses
 - Management
- Performance Overview
- Evaluating Risk
 - Volatility Analysis
 - Principal Risks
- Portfolio Overview
 - Top Holdings
 - Asset Allocation
- Morningstar Tools
 - Morningstar Rating
 - Morningstar Style Box



Overview of the Investment

- Investment Objective & Strategy
 - Objective of the investment and how the manager intends to achieve this objective
- Fees and Expenses
 - Details the amount of money taken out of your account each year to pay for the operation and management of the investment
 - Lower expenses = more of your money invested
- Management
 - Portfolio Manager(s)
 - Management Company/Issuer

Investment Objective & Strategy from investment's prospectus

The investment seeks high total return until its target retirement date.

The fund invests in a combination of underlying Fidelity domestic equity funds, international equity funds, bond funds, and short-term funds using a moderate asset allocation strategy designed for investors expecting to retire around the year 2040. It uses an asset allocation strategy that becomes increasingly conservative until it reaches 15% in domestic equity funds, 5% in international equity funds, 40% in bond funds, and 40% in short-term funds (approximately 10 to 15 years after the year 2040).

Fees and Expenses as of 05-28-11

Gross Expense Ratio

0.08%

Portfolio Manager(s)

University of Delaware B.S. Statistics

Operations and Management

Inception Date 09-06-00

Management Company Vanguard, Inc.

Issuer Vanguard

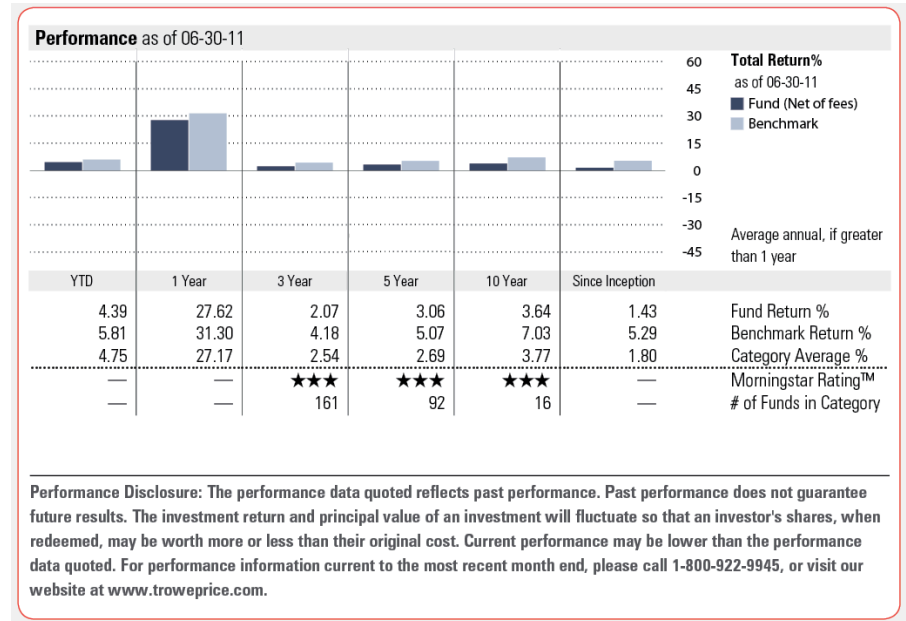
How is the Investment Performing?

➤ Performance

➤ Presented for the investment's preceding year and for the 3, 5, and 10 Year periods and Since Inception

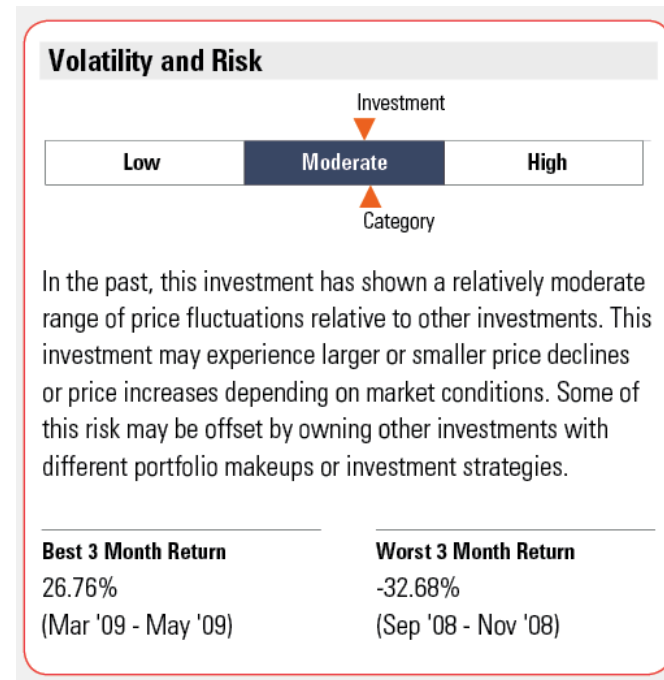
➤ Allows for comparison of the investment's performance against a chosen benchmark and the investment's Morningstar Category

➤ Past performance does not guarantee future results



Evaluating Risk

- Volatility Analysis
 - Classifies each investment as either low, moderate or high risk
 - The investment is compared to it's Morningstar Category
 - Based on 3 Year Standard Deviation
- Principal Risks
 - Outlines the specific risks associated with each investment
 - A description of each risk will be available on Fidelity NetBenefits site

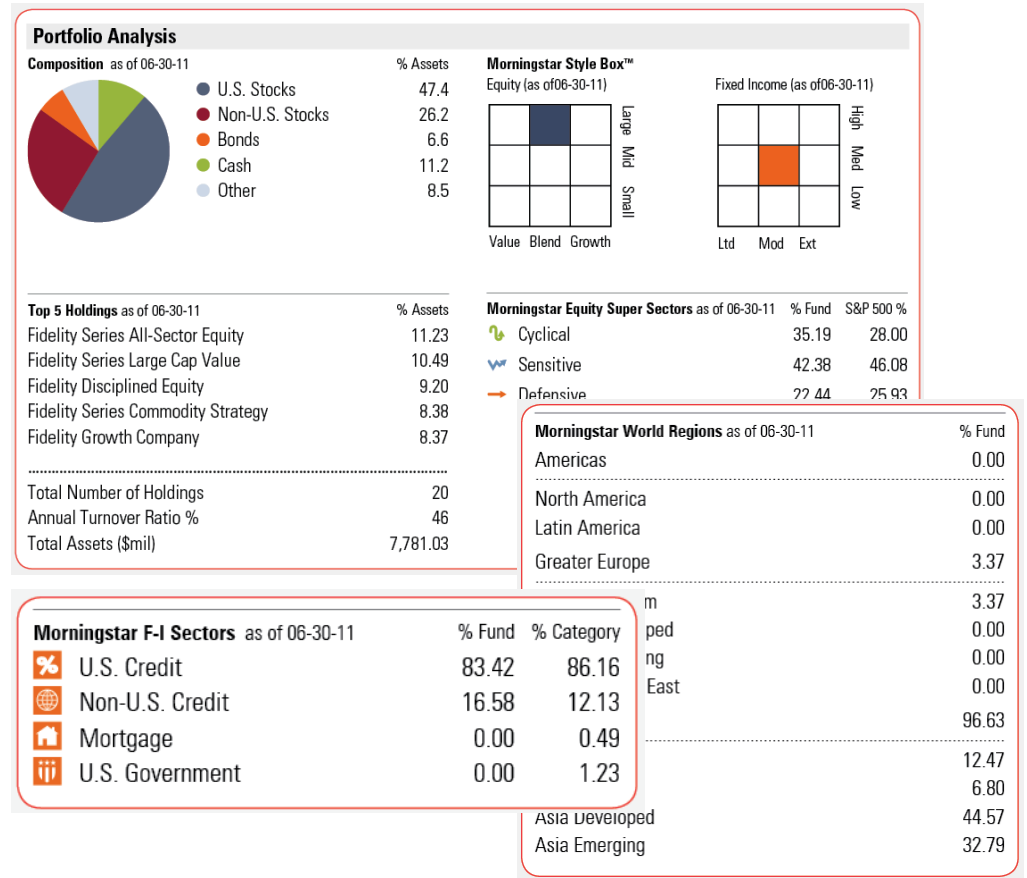


Principal Risks

Capitalization, Commodity, Equity Securities, Foreign Securities, Growth Investing, Interest Rate/Interest Rate Changes, Issuer, Loss of money, Market/Market Volatility, Not FDIC insured, Quantitative Investing, Underlying Fund (also known as Fund of Funds, or Subsidiary), and Value Investing risks.

Portfolio Overview

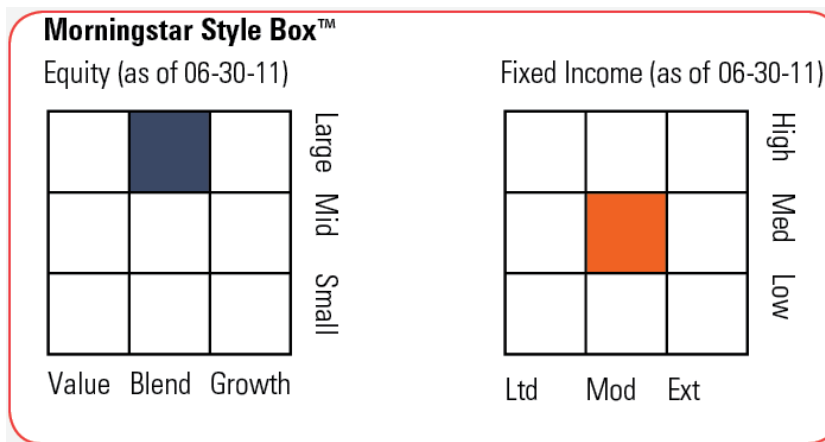
- What is the fund investing in?
 - Asset Allocation Breakdown
 - Top 5 or 10 Holdings
- Morningstar Style Box vs. Morningstar Category
- Sector Breakdown
 - Equity Sector Breakdown
 - Fixed Income Sector Breakdown
- World Region Breakdown



Morningstar Tools

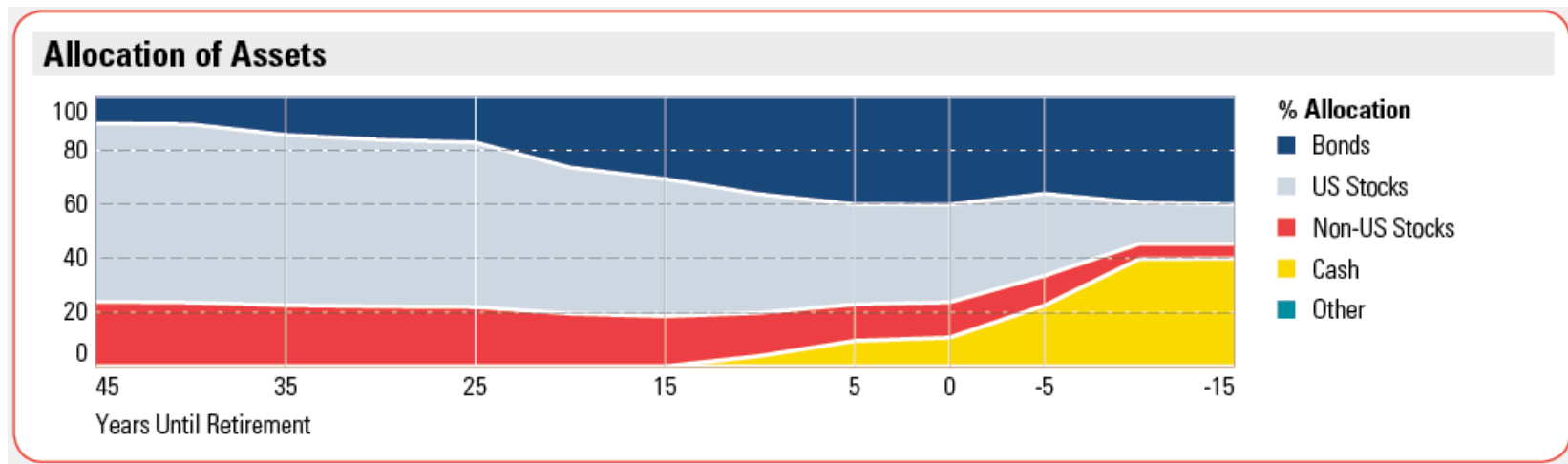
- Morningstar Rating
 - A quantitative measure of the investment's historical performance against its peers
 - All 5-star funds are not equal
 - Best used as an initial screen
- Morningstar Style Box
 - Paints a picture of an investment's portfolio.
 - Provides a tool for assembling a diversified portfolio

Overall Morningstar Rating™	Morningstar Return	Morningstar Risk
★★★	Average	Above Average
Out of 161 Target Date 2036-2040 Investments. A fund's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.		



Target Date Glide Path

- Target Date investments allocate assets differently based on the time remaining until retirement
- The Glide Path graphic depicts how the allocation of assets shifts over time as you near retirement
- Provided for each Target Date investment within your plan



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